TRANSCRIPT OF RECORD.

SUPREME COURT OF THE UNITED STATES.

No. ~~442~~. 205

GEORGE OULTON, COLLECTOR OF INTERNAL REVENUE, PLAINTIFF IN ERROR,

vs.

THE GERMAN SAVINGS AND LOAN SOCIETY.

IN ERROR TO THE CIRCUIT COURT OF THE UNITED STATES FOR THE DISTRICT OF CALIFORNIA.

FILED DECEMBER 1, 1871.

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a UNITED STATES OF AMERICA, *ss:*

To the German Savings and Loan Society, greeting:

You are hereby cited and admonished to be and appear at a Supreme Court of the United States of America, to be held at the city of Washington, in the District of Columbia, on the first Monday of December, A. D. 1871, pursuant to a writ of error filed in the clerk's office of the circuit court of the United States, ninth circuit, district of California, wherein George Oulton is plaintiff in error, and you are defendants in error, to show cause, if any there be, why the judgment in the said writ of error mentioned should not be corrected, and speedy justice should not be done to the parties in that behalf.

Witness the Honorable Salmon P. Chase, Chief Justice of the Supreme Court of the United States of America, this 28th day of October, A. D. 1871, and of the independence of the United States the 96th.

[SEAL.] LORENZO SAWYER,
Circuit Judge of the United States of America, Ninth Circuit.

b U. S. MARSHAL'S OFFICE, DISTRICT OF CALIFORNIA.

I hereby certify that I served the within citation on The German Savings and Loan Society, by delivering a certified copy of the same to Jno. R. Jarboe, (their attorney,) personally, at San Francisco, Cal., October 30th, 1871.

W'M GOUVERNEUR MORRIS,
U. S. Marshal.
By B. J. AKERMAN, *Deputy.*

(Indorsed:) 937. United States Supreme Court. George Oulton, plaintiff in error, vs. The German Savings and Loan Society, def't in error. Citation. Filed 30 Oct. 1871. L. S. B. Sawyer, clerk.

c UNITED STATES OF AMERICA, *ss:*

The President of the United States of America to the judges of the circuit court of the United States, ninth circuit, district of California, greeting:

Because, in the record and proceedings, and also in the rendition of the judgment of a plea which is in the said circuit court before you between The German Savings and Loan Society, plaintiffs, vs. George Oulton, defendant, a manifest error hath happened, to the great damage of the said George Oulton, defendant, as by his complaint appears, and, it being fit that the error, if any there hath been, should be duly corrected, and full and speedy justice done to the parties aforesaid in this behalf, you are hereby commanded, if judgment be therein given, that then, under your seal, distinctly and openly, you send the record and proceedings aforesaid, with all things concerning the same, to the Supreme Court of the United States of America, together with this writ, so that you have the same at Washington, in the District of Columbia, on the first Monday of December next, in the said Supreme Court, to be there and then held, that, the record and proceedings aforesaid be' inspected, the said Supreme Court may cause further to be done therein to correct that error, what of right and according to the law and custom of the United States should be done.

Witness the Hon. Salmon P. Chase, Chief Justice of the Supreme Court of the United States, this first Monday of December, in the year

of our Lord one thousand eight hundred and seventy, and of the independence of the United States the ninety-fifth.

[SEAL.] L. S. B. SAWYER,
Clerk Cir. C't U. S., 9 Cir., &c.

The above writ of error is hereby allowed.

LORENZO SAWYER,
Circuit Judge.

The answer of the judges of the circuit court of the United States, ninth circuit, district of California.

The record and all proceedings of the plaint, whereof mention is within made, with all things touching the same, we certify under the seal of our said court to the Supreme Court of the United States of America within mentioned, at the day and place within contained, in a certain schedule to this writ annexed, as within we are commanded.

By the court.

[SEAL.] L. S. B. SAWYER, *Clerk*,
By J. F. O'BEIRNE,
Deputy Clerk.

(Indorsed:) 937. United States Supreme Court. George Oulton, pl'ff in error vs. The German Savings and Loan Soc., def't in error. Writ of error. Filed October 28, 1871. L. S. B. Sawyer, cl'k, by J. F. O'Beirne, deputy clerk.

1 *Petition of George Oulton, int. rev. coll., for removal of cause, &c.*

To the honorable the circuit court of the United States, ninth circuit, within and for the district of California:

The petition of George Oulton respectfully represents to this honorable court that he is now, and for nearly one year last past continuously has been, an internal revenue officer of the United States within and for the first collection district of California, namely, a collector of internal revenue, duly appointed under and acting by authority of an act of Congress, entitled "An act to provide internal revenue to support the Government, to pay interest on the public debt, and for other purposes," passed June 30th, 1864, and the acts of Congress amendatory thereof and in addition thereto; and that a suit has been brought against him by summons in the district court of the fifteenth judicial district of the State of California, in and for the city and county of San Francisco, by The German Savings and Loan Society, a corporation incorporated under the laws of the State of California, and having its office and principal place of business in the city and county of San Francisco, State of California, to recover the sum of two thousand six hundred and ninety-seven $\frac{84}{100}$ dollars, as will appear by reference to the summons served in said case, which is hereto attached and made a part of this peti-

2 tion. Your petitioner further respectfully represents that said suit is brought against petitioner to recover the sum of two thousand six hundred and ninety-seven $\frac{84}{100}$ dollars, collected by him under the internal revenue laws as an officer of the United States, to wit, as collector of internal revenue as aforesaid, and which said sum is alleged to have been wrongfully collected by him from plaintiff as taxes, on an assessment made by the assessor of internal revenue within and for the first district of California against the said plaintiff for and on account of

taxes due to the United States from the said plaintiff, on its monthly bank deposits and bank capital.

Wherefore petitioner prays that said suit may be removed from the State court to this honorable court, in accordance with the provisions of the act of Congress in such case made and provided.

GEO. OULTON,
Coll'r Int. Rev. 1st Dist. Cal.

STATE OF CALIFORNIA,
City and County of San Francisco, ss:

George Oulton, being duly sworn, deposes and says that he is the defendant in the case of The German Savings and Loan Society against George Oulton, now pending in the district court of the fifteenth judicial district of the State of California, in and for the city and
3 county of San Francisco; that he has read the foregoing petition, and knows the contents thereof, and that the same is true of his own knowledge, except as to the matters which are therein stated on his information and belief, and as to those matters, that he believes it to be true.

GEO. OULTON.

Subscribed and sworn to before me this 24 of March, A. D. 1871.
L. S. B. SAWYER,
Com'r U. S. Cir. C't.

Certificate of dist. attorney.

I, L. D. Latimer, do hereby certify that, as counsel for petitioner, I have examined the foregoing petition of George Oulton; that I have examined the proceedings in the case of The German Savings and Loan Society against said George Oulton, and have carefully inquired into all the matters set forth in said petition, and I believe the same to be true.

I do further certify that I am an attorney and counselor at law, duly admitted and licensed to practice in all the courts of the State of California.

LORENZO D. LATIMER,
Counsel for Petitioner.

4 (Endorsed:) Filed 24th March, 1871. L. S. B. Sawyer, clerk.

5 *Summons.*

In the district court of the fifteenth judicial district of the State of California, in and for the city and county of San Francisco.

THE GERMAN SAVINGS AND LOAN SOCIETY, plaintiff,
vs.
GEORGE OULTON, DEFENDANT.

Action brought in the district court of the fifteenth judicial district of the State of California, in and for the city and county of San Francisco, and the complaint filed in said city and county of San Francisco, in the office of the clerk of said district court.

The people of the State of California send greeting to George Oulton, defendant:

You are hereby required to appear in an action brought against you by the above-named plaintiff in the district court of the fifteenth judicial

district of the State of California, in and for the city and county of San Francisco, and to answer the complaint filed therein, within ten days (exclusive of the day of service) after the service on you of this summons, if served within this county; or, if served out of this county, but in this district, within twenty days; otherwise, within forty days, or judgment by default will be taken against you, according to the prayer of said complaint.

The said action is brought to recover the sum of $2,697.84, al-
6 leged to be due from defendant to plaintiff for taxes illegally assessed against plaintiff and collected by defendant, which said amount of taxes were paid by plaintiff under protest; all of which is fully set out in the complaint filed herein to which reference is hereby expressly made. Also, for costs of suit.

And you are hereby notified that if you fail to appear and answer the said complaint, as above required, the said plaintiff will take judgment against you for the said sum of $2,697.84 and costs of suit.

Given under my hand and seal of the district court of the fifteenth judicial district of the State of California, in and for the city and county of San Francisco, this 7th day of March, in the year of our Lord one thousand eight hundred and seventy-one.

[SEAL.] JOHN HANNA, *Clerk.*
By A. S. ELDRIDGE, *Deputy Clerk.*

(Endorsed:)
Rec'd March 18th, 1871, at 11 o'clock, a. m.
GEO. OULTON, *Collector.*

7 *Certiorari.*

UNITED STATES OF AMERICA:

Circuit court of the United States, ninth circuit, district of California.

To the district court of the fifteenth judicial district of the State of California, in and for the city and county of San Francisco, greeting:

Whereas we have understood from the petition of George Oulton, duly sworn and certified to, according to the provisions of the act of Congress of the United States in such case made and provided, that an action is now pending before you, in a case wherein The German Savings and Loan Society is plaintiff, and George Oulton is defendant, and it further appearing to our satisfaction from the petition aforesaid, that said action is brought to recover the sum of two thousand six hundred and ninety-seven $\frac{84}{100}$ dollars, alleged to have been unlawfully collected as taxes of said plaintiff, by the defendant in his official capacity as a United States revenue officer, under the internal revenue laws:

You are therefore required to send to our circuit court of the United States, the record and proceedings in said cause, and have the same at the city of San Francisco, in the district aforesaid, forthwith.

8 Witness the Honorable Solmon P. Chase, Chief Justice of the Supreme Court of the United States, this 25th day of March, in the year of our Lord one thousand eight hundred and seventy-one, and of our independence the ninety-fifth.

[SEAL.] L. S. B. SAWYER, *Clerk.*
By J. F. O'BEIRNE, *Deputy Clerk.*

9 (Endorsed:)

OFFICE OF THE U. S. MARSHAL,
DISTRICT OF CALIFORNIA.

I hereby certify that I served the within writ of certiorari on the 15th judicial district court of the State of Cal'a, in and for the city and county of San Francisco, by delivering to Jno. Hanna, clerk of said court, a certified copy of the same on the 25th day of March, 1871, at San Francisco, Cal.

W'M GOUVRENEUR MORRIS,
U. S. Marshal.
By ALLEN TILLENGHAST, *Deputy.*

Filed March 25th, 1871. L. S. B. Sawyer, clerk, by J. F. O'Beirne, D. C.

Complaint.

10 In the district court of the fifteenth judicial district of the State of California, in and for the city and county of San Francisco.

THE GERMAN SAVINGS AND LOAN SOCIETY,
plaintiff,
vs.
GEORGE OULTON, DEFENDANT.

The German Savings and Loan Society complains of George Oulton, defendant, and alleges—

I. That said The German Savings and Loan Society is now, and was at all the time hereinafter named, a corporation duly incorporated as such under the laws of the State of California, and having its office and principal place of business in the city and county of San Francisco.

II. That said corporation is formed under the provisions of an act of the legislature of the State of California, entitled "An act to provide for the formation of corporations for the accumulation and investment of funds and savings," approved April 11th, 1862, and the acts amendatory thereof and supplementary thereto.

III. That said corporation has never been engaged in the bus-
11 iness of banking, and has never had or held on deposit with it any sum or sums of money whatsoever, subject to payment by check or draft, or represented by certificate of deposit, or represented in any other manner than as hereinafter stated, and has never had or held on deposit any sum or sums of money payable to any person or persons on demand, or payable in any other manner than is hereinafter stated; that no credits have ever been opened with said plaintiff by the deposit or collection of money or currency subject to be paid or remitted upon draft, check, or order; that no money has ever been advanced or loaned by said plaintiff on stocks, bonds, bullion, bills of exchange, or promissory notes, and that no stocks, bonds, bullion, bills of exchange, or promissory notes, have ever been received by it for discount or sale.

IV. That said corporation has been, at all the times since its incorporation, engaged solely in the business of receiving such monies as were placed in its hands by those doing business with it, lending and investing said monies solely upon mortgages upon real estate, and applying the interest arising from said investment—

1st. To the payment of the expense of conducting the business of said corporation.

2d. To the creation of a reserve fund for the security of those doing business with it. And

3d. To the payment of the remaining portions of said interest, pro rata, to such persons as had placed money with it for keeping and investment.

12 V. That all monie's ever at any time placed or left with it, said plaintiff, for safe keeping or investment, have been so placed, subject to the provision of a contract between the person so placing the same and this plaintiff; which said contract is in the words and figures following, to wit:

"AGREEMENT.—In consideration of the receipt by The German Savings and Loan Society of the deposits now made and hereafter to be made by me with it, I do hereby, for myself, my heirs, executors, administrators, and assigns, covenant, promise, and agree, to and with said German Savings and Loan Society, to be governed in all respects with regard to all moneys that may be deposited by me with said society by the conditions above written, and by the by-laws of said society. And that all moneys now or hereafter deposited by me with said German Savings and Loan Society shall be re-imbursable only out of the first disposable funds that shall come into the hands of the said German Savings and Loan Society after the date of my demand for the re-imbursement thereof, and after payment of all sums for the re-imbursement of which demand shall have been made prior to the date of my demand. And I do hereby, for myself, my heirs, executors, administrators, and assigns, waive all claim for indemnification for losses against all present and future members of said corporation, and

13 elect to rely solely upon the guarantee capital and reserve fund of said German Savings and Loan Society." And that no monie's have ever been received, kept, or held by said plaintiff from any person or persons except under the provisions of said contract, and repayable only as therein provided.

VI. That the defendant in this action, George Oulton, is now, and was at all the times hereinafter named, collector of taxes for the first collection district of California; that, before the 23rd day of February, 1871, he did demand of this plaintiff the sum of two thousand six hundred and ninety-seven $\frac{84}{100}$ dollars, which amount he pretended and alleged was the amount of taxes assessed to and due from this plaintiff, as and for the one twenty-fourth $(\frac{1}{24})$ of one per cent. per month, for monie's deposited with this plaintiff in the business of banking during the months of August, September, and October, 1870, and pretending that the said sum of two thousand six hundred and ninety-seven $\frac{84}{100}$ dollars was due from this plaintiff for delinquent taxes; that this plaintiff refused to pay said sum to said defendant; and that, on the 23rd day of February, 1871, said defendant did levy upon and seize all the money and property of this plaintiff in the State of California, for the non-payment of said taxes, illegally assessed as aforesaid, and was about to expose said property for sale, and sell the same to col-

14 lect the amount of said tax illegally assessed as aforesaid, and claimed by said defendant; and that to release said property from said levy and prevent the sale thereof, this plaintiff did, under protest, pay to said defendant the said sum of two thousand six hundred & ninety-seven $\frac{84}{100}$ dollars, whereupon said Oulton did release said property from said levy and return the same to this plaintiff.

That plaintiff did afterwards demand of said Oulton the repayment to him of said sum of two thousand six hundred and ninety-seven $\frac{84}{100}$ dollars, but that said Oulton refused to pay the same to this plaintiff and has since paid the same into the Treasury of the United States.

That this plaintiff did duly appeal to the Commissioner of Internal Revenue of the United States, according to the provisions of law in that regard, and the regulations of the Secretary of the Treasury, established in pursuance thereof, from the assessment of the said taxes pretended as aforesaid to be assessed against it as hereinabove set forth, and to collect which said levy was made, and that upon such appeal said Commissioner decided that said appeals were not well taken, and that said taxes were legally assessed, and that said decision was made within six months next before the commencement of this action.

Wherefore plaintiff prays judgment against said defendant for
15 the sum of $2,697 84 *dollars* and costs of suit.

JARBOE, HARRISON & ROBINSON,
Attorneys for Plaintiff.

(Endorsed:) "Filed March 7th, 1871. John Hanna, clerk, by A. S. Eldridge, deputy clerk."

16 *Summons.*

In the district court of the fifteenth judicial district of the State of California, in and for the city and county of San Francisco.

THE GERMAN SAVINGS AND LOAN SOCIETY, plaintiff,
vs.
GEORGE OULTON, DEFENDANT.

Action brought in the district court of the fifteenth judicial district of the State of California, in and and for the city and county of San Francisco, and the complaint filed in said city & county of San Francisco, in the office of the clerk of said district court.

The people of the State of California send greeting to George Oulton, defendant:

You are hereby required to appear in an action brought against you by the above-named plaintiff in the district court of the fifteenth judicial district of the State of California, in and for the city and county of San Francisco, and to answer the complaint filed therein, within ten days (exclusive of the day of service) after the service on you of this summons, if served within this county; or, if served out of this county but in this district, within twenty days; otherwise, within forty days, or judgment by default will be taken against you, according to the prayer of said complaint.

The said action is brought to recover the sum of $2,697.84, alleged to be due from defendant to plaintiff for taxes illegally assessed
17 against plaintiff and collected by defendant, which said amount of taxes were paid by plaintiff under protest; all of which is fully set out in the complaint filed herein, to which reference is hereby expressly made. Also, for costs of suit.

And you are hereby notified that if you fail to appear and answer the said complaint as above required, the said plaintiff will take judgment against you for said sum of $2,697.84 and costs of suit.

Given under my hand and seal of the district court of the fifteenth district of the State of California, in and for the city and county of San

Francisco, this 7th day of March, in the year of our Lord one thousand eight hundred and seventy-one.

[SEAL.] JOHN HANNA, *Clerk*,
By A. S. ELDRIDGE, *Deputy Clerk*.

18 (Endorsed:)

OFFICE OF THE SHERIFF OF THE
CITY AND COUNTY OF SAN FRANCISCO.

I hereby certify that I received the within summons on the 16 day of March, A. D. 1871, and personally served the same on the 18th day of March, A. D. 1871, upon George Oulton, the within-named defendant, by delivering to said defendant, personally, in the city and county of San Francisco, a copy of said summons attached to a copy of the complaint in said action therein named.

Dated at San Francisco, this 18th day of March, 1871.

P. J. WHITE, *Sheriff*,
By GEO. W. CORBELL, *Deputy Sheriff*.

Filed March 21st, 1871. John Hanna, clerk, by A. S. Eldridge, deputy clerk.

19 *Clerk's certificate to transcript of proceedings on ret. to writ of certiorari.*

In the district court of the 15th judicial district of the State of California in and for the city and county of San Francisco.

THE GERMAN SAVINGS AND LOAN SOCIETY, plaintiff, *vs.* GEORGE OULTON, DEFENDANT. } No. 6536.

In return to the writ of certiorari issued from the circuit court of the United States, ninth circuit, district of California, a certified copy of which was filed in my office on the 25th day of March, 1871, I, John Hanna, county clerk of the city and county of San Francisco, and ex-officio clerk of the district court of the 15th judicial district of the State of California, in and for the city and county of San Francisco, do hereby certify the foregoing to be full, true, and correct copies of original papers on file in my office in the above-entitled cause, and of the whole thereof.

In witness whereof I have hereunto set my hand and affixed the seal of said court, this 3d day of April, A. D. 1871.

[SEAL.] JOHN HANNA, *Clerk*,
By A. S. ELDRIDGE, *Deputy Clerk*.

20 (Endorsed:) Filed April 7, 1871. L. S. B. Sawyer, clerk.

21 *Answer.*

United States circuit court, ninth circuit, district of California.

THE GERMAN SAVINGS AND LOAN SOCIETY *vs.* GEORGE OULTON.

And now into court comes the above-named defendant, by L. D. Latimer, his attorney, and, for answer to the complaint of plaintiff, denies each and every allegation in said complaint contained.

Wherefore this defendant prays to be dismissed with judgment against the plaintiff for his costs in this wise expended.

L. D. LATIMER,
Attorney for Defendant.

APRIL 22, '71.

22 (Endorsed:)
Copy of within answer acknowledged Apr. 22, 1871.
JARBOE, HARRISON & ROBINSON,
Attorneys for Plaintiff.

Filed 22d April, 1871. L. S. B. Sawyer, clerk.

23 *Amended answer.*

United States circuit court, ninth circuit, district of California.

THE GERMAN SAVINGS AND LOAN SOCIETY *vs* GEORGE OULTON. } No. 937. Amended answer.

Now comes the defendant, and, leave of court having first been obtained, makes this his amended answer to the complaint herein, and denies each and every allegation in said complaint contained.

For a further answer to said complaint the defendant avers that the plaintiff is and was at the time stated in the complaint, and for a long time prior thereto had been, a corporation engaged in the business of banking, and then had and held deposits of money aggregating many thousand' of dollars, made with them by numerous persons, subject to payment by check and draft, and represented by certificates of deposit, by entries in pass-books, and otherwise, a part of which said deposits are payable upon demand, and a part at a fixed and determined
24 future day, and the defendant avers that credits have been opened with said plaintiff by numerous persons, by the deposit of money subject to be paid upon order.

That the plaintiff was incorporated with and has a capital stock of $200,000.00; that it does, and, for more than two years last past continuously has done, business other than receiving deposits to be loaned or invested, for the sole benefit of the parties making such deposits, without profit or compensation to plaintiff; and the defendant avers that, during the times last aforesaid, the plaintiff has received and loaned such deposits for the benefit of itself as well as of the parties making the deposits, and with great profit and compensation to the plaintiff therefrom.

The defendant further avers that, in disregard of the requirements of law, the plaintiff failed and refused to make to the assessor of internal revenue for the first collection district of the State of California, the same being the collection district in which the plaintiff had and have their place of business, and were and are carrying on the business aforesaid, any return of the average amount of the deposits of money with them for the months of August and September, 1870; and that thereupon, in pursuance of the requirements of law, the said assessor estimated, from the best information he could obtain, the amount of such deposits for
25 said months, which estimate was confirmed by the Commissioner of Internal Revenue; and that, upon such estimate, he assessed the tax afterwards collected by the collector of internal revenue of said

district, the same being the tax named in the complaint and sought to be recovered back in this action.

Wherefore this defendant prays to be dismissed with judgment against the plaintiff for his costs in this wise expended.

Sept'r 22d, 1871.

L. D. LATIMER,
Attorney for Defendant.

(Endorsed:) Filed Sept. 25, 1871. L. S. B. Sawyer, clerk, by J. F. O'Beirne, D. C.

26 *Findings.*

United States circuit court, ninth circuit, district of California.

THE GERMAN SAVINGS AND LOAN SOCIETY
v.
GEORGE OULTON. } Findings.

This cause came on regularly for trial before the court without a jury (a jury having been waived by the parties by stipulation in writing duly filed,) on the 25th day of September, A. D. 1871, John R. Jarboe, esquire, appearing for the plaintiff, and L. D. Latimer, esquire, U. S. district attorney, for the defendant, and was submitted upon the evidence introduced and argument of counsel; and the court, now being sufficiently advised, finds the following facts and conclusions of law, to wit:

At the time mentioned in the complaint, the plaintiff was, and it now is, a corporation duly organized under and governed by the provisions of the statute of California, entitled "An act to provide for the
27 formation of corporations for accumulations and investment of funds and savings," approved April 11, 1862, (Stat. Cal., 1862, 199,) and subsequent acts amendatory thereof. It had its principal place of business at San Francisco, in the State of California. Said plaintiff has a nominal capital-stock of one hundred thousand dollars, of which sixty thousand dollars have been paid in. The share-holders have given their notes for the whole amount. The capital-stock is a part of the security which the depositors have. After paying expenses five per cent. of the net profits is set aside for a reserve-fund; then ten per cent. of the remainder is set apart for stockholders who do not otherwise share in the dividends. The said reserve-fund is loaned out in the same manner as deposits, and the interests disposed of in the same manner as interest on deposits.

The reserve fund is kept in the same manner as the capital-stock, as security in part to the depositors.

The said plaintiff receives deposits, loans them out, and repays them, together with the dividends arising from interest on loans to depositors, in accordance with the terms and conditions, and upon the plan stated in a prospectus issued by the plaintiff to the depositors in a pamphlet form, and an agreement thereto appended, which are as follows:

"*Prospectus.*

28 "The German Savings and Loan Society was incorporated on the 10th day of February, 1868, under and by virtue of the various acts of the legislature of the State of California, providing for the incorporation of savings and loan societies.

"The share-holders of this society have contributed the amount of $200,000, which forms the capital-stock and guarantee capital thereof, and all losses which the society may incur, must be borne and paid out of this capital-stock, and out of the reserve-fund formed by the 5 per cent. of the net profits of the society, to be set aside semi-annually for that purpose, in accordance with the laws of the State of California, guaranteeing to the depositors, under any and all circumstances, the full amount of their deposits and dividends.

"TERMS AND CONDITIONS UPON WHICH DEPOSITS WILL BE RECEIVED AND REPAID IN THE BANK OF THE SOCIETY.

"No entrance fee will be demanded, and no charge made for pass-books, but a fee of two dollars will be charged if the entire deposit is withdrawn within a month after lodgement.

"Deposits are divided into two different classes, viz:

"1st. Deposits in sums not less than two dollars, re-imbursable after demand, from the first disposable funds. A maximum limit for such
29 deposits may be fixed from time by the board of directors. As the deposits must be loaned out, in order that interest may be earned upon them, the corporation will only undertake to repay depositors when there is money on hand, which the board of directors have not reserved for other payments. As long as this is the case, the secretary or treasurer will repay such deposits immediately after demand.

"The board of directors will always keep a certain amount of money on hand to meet the ordinary requirements of depositors, but in case of emergency reserve to themselves the right to require such notice of demand for repayment, as circumstances may render necessary.

"2d. Deposits in sums not less than fifty dollars, for a term not less than six months, for the withdrawal of which notice in writing must be given at least six months in advance.

DIVIDENDS.

"At the meetings, in January and July, in each year, the board of directors will ascertain the net profits of the corporation, and will set apart and credit to the reserve-fund of the corporation five per cent. of such net profits; and then of the remaining net profits they will also set apart one-tenth part thereof as a compensation for the guar-
30 antee-capital, furnished by the members of the corporation, and the balance shall be appropriated to paying a dividend to depositors.

"The dividend payable to deposits for a term will be one fifth-more than that payable to deposits after demand.

"Dividends will not be calculated on deposits for the first month succeeding date of lodgement, nor on any fractions of dollars, nor on moneys deposited and again withdrawn between dividend days, and which were on deposit less than three months.

"Such moneys will receive interest at the rate of six per cent. per annum, exclusively of the first month after day of deposit.

"In the event that a deposit be re-imbursed during the running of a six months term, no part of the dividend belonging to that term can be paid before the declaration of the semi-annual dividends.

"Dividends not called for within fifteen days from the date of their being declared, will be carried to the credit of whom it may concern, and will be treated in all respects like the original deposit.

"EMPLOYMENT OF FUNDS.

"The funds of the society will be employed as follows:
31 "1st. In loans for one or more years on real-estate security.
"2d. In loans on bullion, mint-certificates, evidences of indebtedness of the United States, and such other collateral securities as the board of directors shall find proper; but no loans will be made upon promissory notes, bills of exchange, or other evidences of private indebtedness.
"3d. In refunding to depositors the whole or part of their deposits.
"The applicant for a loan must furnish to the board of directors a written statement of the location and description of the property proposed. If the board is satisfied with the security offered, they will order the money to be paid, on receiving a certificate from the attorney of the corporation that the title is valid and the proper documents are executed.
"In all cases where a loan so made is to be repaid in monthly installments, the borrower has to execute to the corporation a note, stating the amount of each monthly installment of principal or interest, which installments, if not paid at maturity, will bear interest at the rate of one and one-half per cent. per month.

"The foregoing shows that every dollar deposited with this institution is secured to the depositor in three different ways, viz:
32 "1st. By the mortgages and pledges on which the money of the society is loaned;
"2nd. By the reserve-fund of the society, formed semi-annually by the five per centum taken from its profits to form the fund; and,
"3rd. By the guarantee-capital contributed by the share-holders.
"It is thus impossible for a loss to occur to the depositors, and by a prudent management of the capital and the reserve-fund, which, of course, will be loaned out, as are the other moneys of the society, the depositors will enjoy the benefits of the very funds which go at the same time to form their security.

"*Copy of the agreement to be signed by every depositor at the time when he makes his first deposit.*

"AGREEMENT.

"In consideration of the receipt by the German Savings and Loan Society, of the deposits now made and hereafter to be made by me with it, I do hereby, for myself, my heirs, executors, administrators, and assigns, covenant, promise, and agree to and with said German Savings and Loan Society to be governed in all respects, with regard to all moneys that may be deposited by me with said society, by the conditions above written, and by the by-laws of said society;
33 and that all moneys now or hereafter deposited by me with said German Savings and Loan Society shall be re-imbursable only out of the first disposable funds that shall come into the hands of the said German Savings and Loan Society after the date of my demand for the re-imbursement thereof, and after payment of all sums for the re-imbursement of which demand shall have been made, prior to the date of my demand; and I do hereby, for myself, my heirs, executors, administrators, and assigns, waive all claim for indemnification for all losses against all present and future members of said corporation, and elect to

rely solely upon the guarantee-capital, and reserve-fund of said German Savings and Loan Society.

"Witness my hand and seal this day of , A. D. 18 ."

Every depositor, upon making a deposit, signs the foregoing written agreement, and no moneys are or were, during the time mentioned in the complaint, received on deposit or held, otherwise than upon the terms and conditions as set forth in the foregoing prospectus and agreement.

No accounts have ever been opened or moneys received subject to payment on draft, check, or order. When a deposit is made a pass-book is given to the depositor, and an entry of the deposit
34 made in it and in the books of the bank.

When the money is drawn the depositor presents his pass-book, receives his money, and signs a receipt for it in the books of the bank, and an entry is made in the pass-book. Sometimes the depositor cannot appear in person to receive his money. He then sends an order with the pass-book, and on the production of the pass-book and order, the order is taken as a receipt, and, either pasted in the receipt-book, or receipt entered in receipt-book, and a reference thereon to the order is made in the receipt-book as paid, as, per order such a number, and the entry made in the pass-book. No such order is ever paid without a presentation of the pass-book with the order.

In practice, the plaintiff always intends to keep sufficient money on hand to meet all ordinary calls when made, and it always pays upon call, so long as there is money to do so.

There has never been a time since the organization of the plaintiff, that it has not been able to meet, on call, all ordinary demands. On large amounts it generally asks depositors to give a day or so notice. The company has never yet found it necessary to make a rule requiring notice.

Loans are usually made on real estate only. There have been
35 some loans on insurance stock, (but none on any other stocks,) bullion, mint-certificates, bonds, or other collaterals. All deposits go into the general fund. No special deposits are taken. Said plaintiff has been engaged in no business other than as hereinbefore stated. Said plaintff issues no certificates of deposits, except that sometimes a party upon inquiry as to the terms of deposits, is unable to determine at the moment whether he will make a term deposit, or one subject to be drawn when wanted, and he leaves the money for a day or two, till he determines, and a temporary certificate is given till further order, but in such case the money is only held temporarily, and not passed into the general funds as a deposit. It is not regarded as a deposit or a part of the business of the plaintiff.

The plaintiff did not make any return of the amount of its deposits to the assessor of internal revenue for the period mentioned in the complaint, in pursuance of the provisions of the internal revenue law of the United States, during the period mentioned in the complaint, and thence down to and including the time of the commencement of this action. The defendant, George Oulton, was collector of internal revenue of the United States, in and for the first collection district in the State of California, embracing the said city of San Francisco. Said Oulton, defendant,
36 acting as such collector, before the twenty-third day of February A. D. 1871, demanded of said plaintiff the sum of two thousand six hundred ninety-seven $\frac{84}{100}$ dollars, which amount he alleged and claimed to be due from plaintiff to the United States, as and for the one-twenty-fourth ($\frac{1}{24}$th) of one per cent. per month for moneys deposited with the

plaintiff in the business of banking during the months of August, September, and October, A. D. 1870, and alleging and claiming that the said sum of two thousand six hundred ninety-seven and $\frac{84}{100}$ dollars, was due from the plaintiff for delinquent taxes. The said plaintiff refused to pay said sum to said defendant, and thereupon, on the twenty-third day of February, A. D. 1871, said defendant levied upon and seized all the money and property of said plaintiff in the State of California, for the non-payment of said taxes so claimed to be assessed as aforesaid, and was about to expose said property to sale, and sell the same to collect the amount of said taxes assessed and claimed as aforesaid by said defendant; and in order to release said property from said levy, and prevent said sale, the plaintiff, under protest, paid to said defendant the said sum of $2,697.84. Whereupon said defendant received
37 said money, and released said property from said levy and returned it to said plaintiff. Said plaintiff, afterwards and before the commencement of this suit, demanded of said defendant a repayment of said sum of $2,697.84, but said defendant refused, and he still refuses, to pay the same, but he has since paid said money into the Treasury of the United States. The plaintiff afterwards in due time appealed to the Commissioner of Internal Revenue of the United States, from the said assessment so made and to collect which said seizure was made in accordance with the provisions of the statute and of the regulations of the Secretary of the Treasury in pursuance thereof in such case made and provided, and upon such appeal the said Commissioner decided against said plaintiff and that such taxes were legally assessed, and this suit was thereupon brought within six months after the rendering of said decision.

38 And as conclusions of law the court finds:

1st. That, during the period for which said tax was assessed, the said plaintiff received no deposits of money subject to payment by check or draft, or represented by certificates of deposits, or otherwise, payable on demand, or at some future day, within the meaning of the revenue acts of the United States.

2nd. That the moneys deposited with said plaintiff during the said time were not subject to the tax assessed thereon and collected by the defendant, and that the said assessment and collection were made without authority of law.

3rd. That the plaintiff is entitled to recover the said sum of two thousand six hundred and ninety-seven $\frac{84}{100}$ dollars so illegally assessed and collected.

Let judgment be entered for the plaintiff for the sum of two thousand six hundred ninety-seven & $\frac{84}{100}$ dollars, and costs of suit.

LORENZO SAWYER,
Circuit Judge 9th Circuit.

(Endorsed:) Filed October 21st, 1871. L. S. B. Sawyer, clerk, by J. F. O'Beirne, D. C.

39 *Judgment.*

In the circuit court of the United States, of the ninth judicial circuit, in and for the district of California.

THE GERMAN SAVINGS AND LOAN SOCIETY
v.
GEORGE OULTON. } No. 937.

This cause having come on regularly for trial on the 25th day of Sep-

tember, A. D. 1871, being a day in the June term, 1871, of said court, before the court sitting without a jury, (a trial by jury having been expressly waived by written stipulation of counsel for the respective parties duly filed,) John R. Jarboe, esq., appearing on behalf of plaintiff, and L. D. Latimer, esq., U. S. attorney, appearing on behalf of defendant, and the evidence on the part of the respective parties having been introduced, and the cause, after arguments of counsel, having been submitted to the court for consideration and decision, and, after due deliberation thereon, the court having, on the 21st day of October of said year, being a day in the October term, 1871, of said court filed its finding in writing, and ordered that judgment be entered in accordance therewith:

Now, therefore, by reason of the law and the finding aforesaid,
40 it is considered by the court that The German Savings and Loan Society, plaintiff, do have and recover of and from George Oulton, defendant, the sum of two thousand six hundred and ninety-seven $\frac{84}{100}$ dollars, and its costs taxed at one hundred thirty-six $\frac{75}{100}$ dollars.

Judgment entered the 21st day of October, A. D. 1871.

L. S. B. SAWYER, *Clerk.*

A true copy of an original entered in the therein-entitled cause in judgment register C. L., No. 1, p. 492.

Attest, &c.:

[SEAL.] L. S. B. SAWYER, *Clerk.*

(Endorsed:) Filed 21st Oct., 1871. L. S. B. Sawyer, cl'k.

41 *Cert. to judg't-roll.*

I, Lorenzo S. B. Sawyer, clerk of the circuit court of the United States, of the ninth judicial circuit, in and for the district of California, do hereby certify that the foregoing papers attached together constitute the judgment-roll in the cause entitled The German Savings and Loan Society v. George Oulton.

Attest my hand and the seal of said circuit court this 30th day of October, A. D. 1871.

[SEAL.] L. S. B. SAWYER, *Clerk,*
By J. F. O'BEIRNE, *Deputy Clerk.*

(Endorsed:) Judgment-roll. Filed October 30th, A. D. 1871. L. S. B. Sawyer, clerk, by J. F. O'Beirne, deputy clerk.

42 I, Lorenzo S. B. Sawyer, clerk of the circuit court of the United States, of the ninth judicial circuit, in and for the district of California, do hereby certify that the foregoing forty-one written pages, numbered from 1 to 41, both inclusive, are a true copy of the record and of all proceedings in the cause therein entitled, and that the same, together constitute the return to the annexed writ of error.

Attest my hand and the seal of said circuit court this 14th day of November, A. D. 1871.

[SEAL.] L. S. B. SAWYER, *Clerk,*
By J. F. O'BEIRNE, *Clerk.*

43 U. S. circuit court, district of California.

THE GERMAN SAVINGS & LOAN SOCIETY }
vs.
GEORGE OULTON. }

The one hundred and tenth section of the revenue act of the United States, as amended on the 13th of July, 1866, enacts that "there shall

be levied, collected, and paid a tax of one twenty-fourth of one per centum each month upon the average amount of the deposits of money, subject to payment by check or draft, or represented by certificates of deposit or otherwise, whether payable on demand or at some future day, with any person, bank, association, company, or corporation engaged in the business of banking;" with a proviso that "deposits in associations or companies known as provident institutions, savings banks, savings funds, or savings institutions, having no capital-stock and doing no other business than receiving deposits to be loaned or invested for the sole benefit of the parties making such deposits, without profit or compensation to the association or company, shall be exempt from tax on so much of their deposits as they have invested in securities of the United States, and on all deposits less that five hundred dollars made in the name of any one person." (14 Stat's at Large, 136.)

44 The plaintiff, The German Savings and Loan Society, is a corporation created under a statute of California, for the purpose of aggregating the funds and savings of its members and others, and of preserving and safely investing the same for their common benefit. Its principal business consists in loaning at interest its own funds, and monie's deposited with it for that purpose, upon certain specified securities; in collecting the interest on the loans when made and the principal of the same as they respectively become due, and in re-investing the proceeds or in applying them in payment of the depositors, or to the uses prescribed by the by-laws of the institution.

In 1870, and up to March, of the present year, the defendant was collector of taxes of the United States for the first collection district of California, within which the plaintiff has its office and principal place of business; and as such officer he claimed that the plaintiff was liable under the above section of the revenue act, as a corporation engaged in the business of banking, to a tax of one twenty-fourth of one per cent. each month on the average amount of monie's deposited with it during that period for loan and investment.

The plaintiff refused to pay the tax thus claimed on the monie's deposited for the months of August, September, and October of the past year, and the collector accordingly in February last, levied upon the property of the institution to enforce the payment, and was

45 about to expose the property to sale, when the plaintiff paid the tax under protest. The present action is brought to recover back the money thus paid, amounting to upwards of twenty-six hundred dollars.

The district attorney moves for judgment in favor of the defendant upon the pleadings. The complaint negatives the existence of the conditions required in the general clause of the above section to authorize the imposition of the tax; but the district attorney contends that the plaintiff must also in pleading bring itself within the terms of the proviso to that section; and not having done so that judgment must go against it upon its own allegations. This position is not tenable. The authority for the tax must be found in the general clause of the act. The proviso only excepts from the operation of that clause a case which would otherwise be covered by it. Its object is to limit, not to extend the general clause. That clause declares that a tax shall be levied and collected upon deposits of money payable in a specified way, made with any person, association, or corporation engaged in the business of banking. The proviso excepts deposits thus designated, when they are made with particular banking institutions and are invested in securities of the United States, or when the deposits in the name of one person amount to less than five hundred dollars.

Now if the plaintiff were within the terms of the general clause
46 and were exempt from taxation on its deposits only by virtue of the proviso, it would be obliged in its complaint to allege the facts creating the exemption, but as it denies that it is within the terms of the general clause it is only necessary for it to make sufficient allegations to exclude itself from the operation of those terms.

The deposits which are liable to taxation are those which are subject to payment by check or draft, or those which are represented by certificates of deposit, or in some other form, payable either on demand or at some future day. The deposits must in all cases be subject to payment by check, draft, or otherwise; and that means that the liability of payment to the depositor on the part of the bank or banker must be absolute and not contingent; that the payment must be made under all circumstances, either on demand or at some definite period, and not be dependant upon the occurrance of losses, or the acquisition of profits or any other event. The deposits must also be made with a person, bank, association, or corporation engaged in the business of banking.

The seventy ninth section of the revenue act, as amended in 1866, declares that "every incorporated or other bank, and every person, firm, or company having a place of business where credits are opened, by the deposit or collection of money or currency, subject to be paid or remitted upon draft, check, or order, or where money is advanced
47 or loaned on stocks, bonds, bullion, bills of exchange, or promissory notes, or where stocks, bonds, bullion, bills of exchange, or promissory notes are received for discount or for sale, shall be regarded as a bank or as a banker." (14 Stat's at Large, 115.)

It will be here seen also that when credits are opened by deposit or collection of moneys, the deposits are subject to payment or remittance upon draft, check, or order.

Banks are generally classed under one of three heads, namely, banks of deposit, banks of discount, and banks of circulation. The distinctive feature of the first class lies in their liability to repay the deposits made with them, either on demand or at some definite time. This absolute liability of repayment is expressed in the statutory definition already cited, and is recognized by all the text writers. It is this condition also upon which deposits are made subject to taxation under the one hundred and tenth section of the revenue act. In the case of The Bank of Savings v. The Collector, (3 Wall., 475,) relied on by the district attorney, the bank could be required to make payments on four stated days in the year. It therefore held its deposits payable at some future day, and was thus brought within the very terms of the general clause of the section in question. The decision in that case was placed upon the express ground that the bank was under obligation to pay each depositor the amount deposited by him when demanded agreeably to its
48 by-laws and charter.

The complaint in this case alleges that the plaintiff has been at all times since its incorporation engaged solely in the business of receiving such monie's as were placed in its hands by persons doing business with it, lending and investing the monie's upon mortgages on real estate, and applying the interest accruing from the investments:

1st. To the payment of the expenses of conducting the business of the corporation.

2d. To the creation of a reserve fund for the security of those doing business with it.

And 3d. To the payment of the remaining portions of the interest, pro rata, to such persons as had placed money with it for keeping and investment; and that all the monies deposited with it, have been so deposited upon an agreement that they shall be re-imbursed to the depositor only, out of the first disposable funds that shall come into the control of the corporation after demand for re-imbursement, and after the payment of all sums for the re-imbursement of which previous demands shall have been made; and that the depositors shall rely for indemnification for any losses that may occur in the investment of their monies solely upon the guaranteed capital and reserve-fund of the corporation.

It also alleges that the plaintiff has never been engaged in the
49 business of banking, specifically designating the business, the transaction of which constitutes an institution a bank, within the definition contained in the seventy-ninth section of the act; and that it has never had or held on deposit any sum or sums of money whatsoever subject to payment by check or draft, or represented by certificates of deposit, or represented in any other manner than by the investments mentioned, or payable to any person or persons on demand, or in any other manner than as above stated.

If these allegations can be sustained by proper proof, the plaintiff will be entitled to recover; its appeal to the Secretary of the Treasury for relief against the amount of the tax having been duly taken, and an adverse decision having been rendered thereon within six months previous to the commencement of the action.

It follows that the motion for judgment in favor of the defendant on the pleadings must be denied; and it is so ordered.

FIELD, *J.*

SEPTEMBER 18TH, 1871.

I, Lorenzo S. B. Sawyer, clerk of the circuit court of the United States, of the ninth judicial circuit, in and for the district of California, do hereby certify that the foregoing is a full, true, and correct copy of the opinion, delivered by Mr. Justice Field, in the within-entitled cause, filed in my office, September eighteenth, A. D. 1871, and now remaining of record and on file therein.

Attest my hand and seal of said circuit court this 14th day of November, A. D. 1871.

L. S. B. SAWYER, *Clerk*,
By J. F. O'BEIRNE, *Deputy Clerk*.

(Endorsed:) Read in open court and filed September 18th, A. D. 1871. L. S. B. Sawyer, clerk, by J. F. O'Beirne, D. C.

50 EXHIBIT A. L. S.

GERMAN SAVINGS AND LOAN SOCIETY
v.
OULTON.

Prospectus and extract from the by-laws of the German Savings and Loan Society, (Deutsche Spar- und Leih-Bank,) incorporated February 10th, 1868. San Francisco: Democrat job office, 1870.

51 OFFICERS.

President—L. GÖTTIG.
Board of directors—F. ROEDING, G. H. EGGERS, FRITZ KOESTER, E. KRUSE, J. GUNDLACH, H. SCHMIEDELL, CHA'S KOHLER, M. MENDHEIM.
Secretary—GEORG LETTE.
Attorney—JOHN R. JARBOE.

52 LIST OF SHAREHOLDERS.

C. F. Mebius.
Edw. Kruse.
Jacob Gundlach.
L. Göttig.
Claus Spreckels.
Henry Schmiedell.
Fritz Köster.
Fred. Röding.
Richard Dorn.
E. Staub.
Emil Rohte.
Edw. Michelsen.
Fred. Iken.
Adolph Unger.
F. O. Wegener.
H. A. Gildemeister.
Henry Horstmann.
C. Wilson.
G. Mücke.
John G. Klumpke.
53 Cha's Kohler.
J. A. Bauer.
J. Remmel.
P. Spreckels.
Jos. Brandenstein.
Geo. Lette.
Herman Mendheim.
J. Georg Huber.
Rob't J. Betge.
John Wieland.
Fr. Hess.
Ch. H. Strybing.
R. Hochkofler.
Adolphus G. Russ.
J. Frank.
L. S. Kast.
A. Hölscher.

M. Rosenbaum.
H. L. Simon.
W'm Erzgräber.
M. Mendheim.
August J. Saulmann.
Albert Köster.
Jos. Hug.
Claus Brommer.
Frederick Hagemann,
J. A. Frankenau.
C. M. Gerichten.
Julius George.
L. E. Weck.
Jon Hahn.
John R. Jarboe.
Jos. Isaac.
F. Livingston.
H. Luchsinger.
Daniel Meyer.
Jonas Adler.
Thomas Bagge.
James Behrens.
H. Balzer.
F. Dühring.
Geo. H. Eggers.
W'm Ehrenpfort.
Leon Ehrmann.
A. Ehrhorn.
Fr. Putzman.
Isidor Landsberger.
Carl Precht.
Adolph Pfister.
F. H. Rosenbaum.
G. Ris.
J. B. Reinhardt.

M. Mansfield.
C. Mangels.
R. Wegener.
H. Von Bargen.
Adolph C. Weber.
Cha's Meinecke.
Cha's Duisenberg.
Otto Kloppenburg.
Henry Winkle.
F. Habenicht.
O. Schoemann.
B. Kirchhoff.
Chr. H. Voigt.
Nic. Götjen.
Chas. Neuhaus.
W'm Kroning.
H. Hinders.
Tho's Basse.
J. Everding.
F. Reichling.
P. Reichling.
E. Schubart.
F. H. Seller.
Cha's Schroth.
G. Schultz.
M. Seller.
A. Seligman.
Jos. Seller.
Morris Speyer.
S. Weilheimer.
A. Wasserman.
H. W. Weiss.
M. Waterman.
Louis Westerfeld.
H. Hagen.

54 *Prospectus.*

The German Savings and Loan Society was incorporated on the 10th day of February, 1868, under and by virtue of the various acts of legislature of the State of California, providing for the incorporation of savings and loan societies.

The shareholders of this society have contributed the amount of $200,000, which forms the capital-stock and guarantee-capital thereof, and all losses which the society may incur must be borne and paid out of this capital-stock, and out of the reserve-fund, formed by the 5 per cent. of the net profits of the society, to be set aside semi-annually for that purpose, in accordance with the laws of the State of California, guaranteeing to the depositors under any and all circumstances the full amount of their deposits and dividends.

TERMS AND CONDITIONS UPON WHICH DEPOSITS WILL BE RECEIVED AND REPAID IN THE BANK OF THE SOCIETY.

No entrance fee will be demanded and no charge made for pass-books;

but a fee of two dollars will be charged if the entire deposit is withdrawn within a month after lodgement.

Deposits are divided into two distinct classes, viz:

1st. Deposits, in sums not less than two dollars, re-imbursable after demand from the first disposable funds. A maximum limit for such deposits may be fixed from time to time by the board of directors. As the deposits must be loaned out, in order that interest may be earned upon them, the corporation will only undertake to repay depositors
55 when there is money on hand, which the board of directors have not reserved for other payments. As long as this is the case the secretary or treasurer will repay such deposits immediately after demand. The board of directors will always keep a certain amount of money on hand to meet the ordinary requirements of depositors; but, in case of emergency, reserve to themselves the right to require such notice of demand for repayment as circumstances may render necessary.

2d. Deposits, in sums not less than fifty dollars, for a term not less than six months, for the withdrawal of which notice in writing must be given at least six months in advance.

DIVIDENDS.

At the meetings in January and July, in each year, the board of directors will ascertain the net profits of the corporation, and will set apart and credit to the reserve-fund of the corporation five per cent. of such net profits; and then of the remaining net profits they will also set apart one-tenth part thereof as a compensation for the guarantee-capital, furnished by the members of the corporation, and the balance shall be appropriated to paying a dividend to depositors.

The dividend payable to deposits for a term will be one-fifth more than that payable to deposits after demand.

Dividends will not be calculated on deposits for the first month succeeding date of lodgment, nor on any fractions of dollars, nor on moneys deposited and again withdrawn between divdend days, and which were on deposit less than three months. Such moneys will receive interest at the rate of six per cent. per annum, exclusive of the first month after day of deposit.

In the event that a deposit be re-imbursed during the running of a six-months term, no part of the dividend belonging to that term can be paid before the declaration of the semi-annual dividends.

56 Dividends not called for within fifteen days from the date of their being declared, will be carried to the credit of whom it may concern, and will be treated in all respects like the original deposit.

EMPLOYMENT OF FUNDS.

The funds of the society will be employed as follows:

1st. In loans, for one or more years, on real-estate security.

2d. In loans on bullion, mint-certificates, evidence of indebtedness of the United States, and such other collateral securities as the board of directors shall find proper. But no loans will be made upon promissory notes, bills of exchange, or other evidences of private indebtedness.

3d. In refunding to depositors the whole or part of their deposits, the applicant for a loan must furnish to the board of directors a written statement of the location and description of the property proposed. If the board is satisfied with the security offered they will order the money to be paid on receiving a certificate from the attorney of the corporation that the title is valid, and that the proper documents are executed.

In all cases where a loan so made is to be repaid in monthly installments, the borrower has to execute to the corporation a note, stating the amount of each monthly installment of principal or interest, which installments, if not paid at maturity, will bear interest at the rate of one and one-half per cent. per month.

The foregoing shows that every dollar deposited with this institution is secured to the depositor in three different ways, viz:

1st. By the mortgages and pledges on which the money of the society is loaned;

2d. By the reserve fund of the society, formed semi-annually by the five per centum taken from its profits to form the fund; and,

57 3d. By the guarantee-capital contributed by the share-holders.

It is thus impossible for a loss to occur to the depositors, and by a prudent management of the capital and the reserve-fund, which, of course, will be loaned out as are the other moneys of the society, the depositors will enjoy the benefits of the very funds which go at the same time to form their security.

58 Copy of the agreement to be signed by every depositor at the time when he makes his first deposit.

AGREEMENT.

In consideration of the receipt by the German Savings and Loan Society of the deposits now made, and hereafter to be made by me with it, I do hereby, for myself, my heirs, executors, administrators, and assigns, covenant, promise, and agree to and with said German Savings and Loan Society, to be governed in all respects with regard to all moneys that may be deposited by me with said society, by the conditions above written, and by the by-laws of said society; and that all moneys now or hereafter deposited by me with said German Savings and Loan Society, shall be re-imbursable only out of the first disposable funds that shall come into the hands of the said German Savings and Loan Society, after the date of my demand for the re-imbursement thereof, and after payment of all sums for the re-imbursement of which demand shall have been made prior to the date of my demand; and I do hereby for myself, my heirs, executors, administrators, and assigns, waive all claim for indemnification for losses against all present and future members of said corporation, and elect to rely solely upon the guarantee-capital and reserve-fund of said German Savings and Loan Society.

Witness my hand and seal this day of , A. D. 18 .

59 *Loan tables.*

In order to explain to persons desirous of effecting a loan on real-estate security, where the principal is to be repaid in equal monthly installments of principal and interest, the manner in which such installments are made up, the so-called loan tables for one, two, three, four, five and six years, and for $1,000, are hereto annexed. The interest in these tables is calculated at the rate of one per cent. per month.

The first column in the tables shows the number of months which the loan has to run; the second the equal amounts of each monthly installment, by the payments of which the whole amount of principal borrowed, and interest due thereon, is liquidated at the end of the term fixed therein. The third column shows the amount of monthly interest, and the fourth the amount of principal paid off every month. The amount of these two colums, added together every month, gives the amount of the respective monthly installment. The fifth column shows

the amount of the principal remaining unpaid after the payment of the installment for the respective month.

Thus, if a person borrows $1,000 for one year, to be repaid in 12 monthly installments, he will have to pay the amount of $88.85 at the end of every month. For the first month his interest on $1,000, at 1 per cent. per month, will amount to $10, and by paying the first installment of $88.85 he will pay these $10 for interest, and $78.85 on account of the principal sum borrowed, leaving a balance due thereon of $921.15. At the end of the second month the interest due on said loan will be 1 per cent. of the above balance of $921.15, which makes $9.21, and by paying his second monthly installment of $88.85 he will pay the above interest of $9.21, and $79.64 on account of the principal borrowed, leaving a balance of the latter of $841.51 unpaid, whereon he pays interest for the third month and so on, till at the beginning of the 12th month the principal sum unpaid is $87.96, and by paying his last or 12th monthly installment of 88.85, he will pay interest of $87.96 with 89 cents, and the balance of the principal sum of $87.96 *cents*, thereby liquidating the debt.

60 *Loan table for one year.*

Months.	Installments.	Interest.	Principal.	Balances.
				$1,000 00
1	$88 85	$10 00	$78 85	921 15
2	88 85	9 21	79 64	841 51
3	88 85	8 42	80 43	761 08
4	88 85	7 61	81 24	679 84
5	88 85	6 80	82 05	597 79
6	88 85	5 98	82 87	514 92
7	88 85	5 15	83 70	431 22
8	88 85	4 21	84 54	346 68
9	88 85	3 47	85 38	261 30
10	88 85	2 61	86 24	175 06
11	88 85	1 75	87 10	87 96
12	88 85	89	87 96	
	$1,066 20	$66 20	$1,000 00	

61 *Loan table for two years.*

Months.	Installments.	Interest.	Principal.	Balances.
				$1,000 00
1	$47 07	$10 00	$37 07	962 93
2	47 07	9 63	37 44	925 49
3	47 07	9 25	37 82	887 67
4	47 07	8 87	38 20	849 47
5	47 07	8 49	38 58	810 89
6	47 07	8 11	38 96	771 93
7	47 07	7 72	39 35	732 58
8	47 07	7 32	39 75	692 83
9	47 07	6 92	40 15	652 68
10	47 07	6 52	40 55	612 13
11	47 07	6 12	40 95	571 18
12	47 07	5 71	41 36	529 82
13	47 07	5 29	41 78	488 04
14	47 07	4 88	42 19	445 85
15	47 07	4 45	42 62	403 23
16	47 07	4 03	43 04	360 19
17	47 07	3 60	43 47	316 72
18	47 07	3 16	43 91	272 81
19	47 07	2 73	44 34	228 47
20	47 07	2 28	44 79	183 68
21	47 07	1 83	45 24	138 44
22	47 07	1 38	45 69	92 75
23	47 07	92	46 15	46 60
24	47 07	47	46 60	
	$1,129 68	$129 68	$1,000 00	

62 *Loan table for three years.*

Months.	Installments.	Interest.	Principal.	Balances.
				$1,000 00
1	$33 21	$10 00	$23 21	976 79
2	33 21	9 77	23 44	953 35
3	33 21	9 53	23 68	929 67
4	33 21	9 29	23 92	905 75
5	33 21	9 06	24 15	881 60
6	33 21	8 81	24 40	857 20
7	33 21	8 57	24 64	832 56
8	33 21	8 32	24 89	807 67
9	33 21	8 07	25 14	782 53
10	33 21	7 82	25 39	757 14
11	33 21	7 57	25 64	731 50
12	33 21	7 31	25 90	705 60
13	33 21	7 05	26 16	679 44
14	33 21	6 79	26 42	653 02
15	33 21	6 53	26 68	626 34
16	33 21	6 26	26 95	599 39
17	33 21	5 99	27 22	572 17
18	33 21	5 72	27 49	544 68
19	33 21	5 44	27 77	516 91
20	33 21	5 17	28 04	488 87
21	33 21	4 89	28 32	460 55
22	33 21	4 60	28 61	431 94
23	33 21	4 32	28 89	403 05
24	33 21	4 03	29 18	373 87
25	33 31	3 74	29 47	344 40
26	33 21	3 44	29 77	314 63
27	33 21	3 15	30 06	284 57
28	33 21	2 84	30 37	254 20
29	33 21	2 54	30 67	223 53
30	33 21	2 23	30 98	192 55
31	33 21	1 92	31 29	161 26
32	33 21	1 61	31 60	129 66
33	33 21	1 29	31 92	97 74
34	33 21	97	32 24	65 60
35	33 21	65	32 56	32 94
36	33 21	27	32 94	
	$1,195 56	$195 56	$1,000 00	

63 *Loan table for four years.*

Months.	Installments.	Interest.	Principal.	Balances.
				$1,000 00
1	$26 33	$10 00	$16 33	983 67
2	26 33	9 83	16 50	967 17
3	26 33	9 67	16 66	950 51
4	26 33	9 50	16 83	933 68
5	26 33	9 33	17 00	916 68
6	26 33	9 16	17 17	899 51
7	26 33	8 99	17 34	882 17
8	26 33	8 82	17 51	864 66
9	26 33	8 64	17 69	846 97
10	26 33	8 47	17 86	829 11
11	26 33	8 29	18 04	811 07
12	26 33	8 11	18 22	792 85
13	26 33	7 93	18 40	774 45
14	26 33	7 74	18 59	755 86
15	26 33	7 56	18 77	737 09
16	26 33	7 37	18 96	718 13
17	26 33	7 18	19 15	698 98
18	26 33	6 99	19 34	679 64
19	26 33	6 79	19 54	660 10
20	26 33	6 60	19 73	640 37
21	26 33	6 40	19 93	620 44
22	26 33	6 20	20 13	600 31
23	26 33	6 00	20 33	579 98
	26 33	5 80	20 53	559 45

64 *Loan table for four years*—Continued.

Months.	Installments.	Interest.	Principal.	Balances.
25	$26 33	$5 59	$20 74	538 71
26	26 33	5 38	20 95	517 76
27	26 33	5 18	21 15	496 61
28	26 33	4 96	21 37	475 24
29	26 33	4 75	21 58	453 66
30	26 33	4 53	21 80	431 86
31	26 33	4 32	22 01	409 85
32	26 33	4 10	22 23	387 62
33	26 33	3 87	22 46	365 16
34	26 33	3 65	22 68	342 48
35	26 33	3 42	22 91	319 57
36	26 33	3 19	23 14	296 43
37	26 33	2 96	23 37	273 06
38	26 33	2 73	23 60	249 46
39	26 33	2 49	23 84	225 62
40	26 33	2 25	24 08	201 54
41	26 33	2 01	24 32	177 22
42	26 33	1 77	24 56	152 66
43	26 33	1 53	24 80	127 86
44	26 33	1 28	25 05	102 81
45	26 33	1 03	25 30	77 51
46	26 33	77	25 56	51 95
47	26 33	52	25 81	26 14
48	26 33	19	26 14	
	$1,263 84	$263 84	$1,000 00	

65 *Loan table for five years.*

Months.	Installments.	Interest.	Principal.	Balances.
				$1,000 00
1	$22 24	$10 00	$12 24	987 76
2	22 24	9 88	12 36	975 39
3	22 24	9 75	12 49	962 90
4	22 24	9 63	12 61	950 28
5	22 24	9 50	12 74	937 54
6	22 24	9 37	12 87	924 67
7	22 24	9 24	13 00	911 67
8	22 24	9 11	13 13	898 54
9	22 24	8 98	13 26	885 28
10	22 24	8 85	13 39	871 89
11	22 24	8 72	13 52	858 37
12	22 24	8 58	13 66	844 71
13	22 24	8 44	13 80	830 91
14	22 24	8 31	13 93	816 98
15	22 24	8 17	14 07	802 90
16	22 24	8 03	14 21	788 69
17	22 24	7 88	14 36	774 33
18	22 24	7 74	14 50	759 83
19	22 24	7 60	14 64	745 18
20	22 24	7 45	14 79	730 38
21	22 24	7 30	14 94	715 44
22	22 24	7 15	15 09	700 35
23	22 24	7 00	15 24	685 11
24	22 24	6 85	15 39	669 72
25	22 24	6 70	15 54	654 18
26	22 24	6 54	15 70	638 47
27	22 24	6 38	15 86	622 61
28	22 24	6 22	16 02	606 59
29	22 24	6 06	16 18	590 41
30	22 24	5 90	16 34	574 07
31	22 24	5 74	16 50	557 57
32	22 24	5 57	16 67	540 90
33	22 24	5 41	16 83	524 07
34	22 24	5 24	17 00	507 07
35	22 24	5 07	17 17	489 89
36	22 24	4 89	17 35	472 54

66 *Loan table for five years*—Continued.

Months.	Installments.	Interest.	Principal.	Balances.
37	$22 24	$4 72	$17 52	$455 02
38	22 24	4 55	17 69	437 33
39	22 24	4 37	17 87	419 46
40	22 24	4 19	18 05	401 41
41	22 24	4 01	18 23	383 18
42	22 24	3 83	18 41	364 77
43	22 24	3 65	18 59	346 17
44	22 24	3 46	18 78	327 39
45	22 24	3 27	18 97	308 42
46	22 24	3 08	19 16	289 26
47	22 24	2 89	19 35	269 91
48	22 24	2 70	19 54	250 36
49	22 24	2 50	19 74	230 62
50	22 24	2 30	19 94	210 68
51	22 24	2 10	20 14	190 54
52	22 24	1 90	20 34	170 20
53	22 24	1 70	20 54	149 66
54	22 24	1 49	20 75	128 91
55	22 24	1 29	20 95	107 96
56	22 24	1 08	21 16	86 80
57	22 24	87	21 37	65 42
58	22 24	65	21 59	43 83
59	22 24	44	21 80	22 02
60	22 24	11	22 13	
	$1,334 40	$334 40	$1,000 00	

67 *Loan table for six years.*

Months.	Installments.	Interest.	Principal.	Balances.
				$100 00
1	$19 55	$10 00	$9 55	990 45
2	19 55	9 90	9 65	980 80
3	19 55	9 81	9 74	971 06
4	19 55	9 71	9 84	961 22
5	19 55	9 61	9 94	951 28
6	19 55	9 51	10 04	941 24
7	19 55	9 41	10 14	931 10
8	19 55	9 31	10 24	920 86
9	19 55	9 21	10 34	910 52
10	19 55	9 11	10 44	900 08
11	19 55	9 00	10 55	889 53
12	19 55	8 90	10 65	878 88
13	19 55	8 79	10 76	868 12
14	19 55	8 68	10 87	857 25
15	19 55	8 57	10 98	846 27
16	19 55	8 46	11 09	835 18
17	19 55	8 35	11 20	823 98
18	19 55	8 24	11 31	812 67
19	19 55	8 13	11 42	801 25
20	19 55	8 01	11 54	789 71
21	19 55	7 90	11 65	778 06
22	19 55	7 78	11 77	766 29
23	19 55	7 06	11 89	754 40
24	19 55	7 54	12 01	742 39
25	19 55	7 42	12 13	730 27
26	19 55	7 30	12 25	718 02
27	19 55	7 18	12 37	705 65
28	19 55	7 06	12 49	693 16
29	19 55	6 93	12 62	680 54
30	19 55	6 81	12 74	667 80
31	19 55	6 68	12 87	654 93
32	19 55	6 55	13 00	641 92
33	19 55	6 42	13 13	628 79
34	19 55	6 29	13 26	615 53
35	19 55	6 16	13 39	602 14
36	19 55	6 02	13 53	588 61

68 *Loan table for six years*—Continued.

Months.	Installments.	Interest.	Principal.	Balances.
37	$19 55	$5 89	$13 66	574 94
38	19 55	5 75	13 80	561 14
39	19 55	5 61	13 94	547 20
40	19 55	5 47	14 08	533 13
41	19 55	5 33	14 22	518 91
42	19 55	5 19	14 36	504 55
43	19 55	5 05	14 50	490 04
44	19 55	4 90	14 65	475 39
45	19 55	4 75	14 80	460 59
46	19 55	4 61	14 94	445 65
47	19 55	4 46	15 09	430 56
48	19 55	4 31	15 24	415 31
49	19 55	4 15	15 40	399 91
50	19 55	4 00	15 55	384 36
51	19 55	3 84	15 71	368 65
52	19 55	3 69	15 86	352 79
53	19 55	3 53	16 02	336 77
54	19 55	3 37	16 18	320 59
55	19 55	3 21	16 34	304 25
56	19 55	3 04	16 51	287 74
57	19 55	2 88	16 67	271 06
58	19 55	2 71	16 84	254 22
59	19 55	2 54	17 01	237 21
60	19 55	2 37	17 18	220 04
61	19 55	2 20	17 35	202 69
62	19 55	2 03	17 52	185 17
63	19 55	1 85	17 70	167 47
64	19 55	1 67	17 88	149 59
65	19 55	1 50	18 05	131 54
66	19 55	1 32	18 23	113 30
67	19 55	1 13	18 42	94 88
68	19 55	95	18 60	76 28
69	19 55	76	18 79	57 50
70	19 55	57	18 98	38 52
71	19 55	39	19 16	19 36
72	19 55	17	19 38	
	$1,407 60	$407 60	$1,000 00	

69 EX. B. L. S.—*Ordinary deposits.*

No. . in account with

THE GERMAN SAVINGS AND LOAN SOCIETY }
v.
GEORGE OULTON. }

Deutsche Spar- und Leih-Bank, 513 California st.

70 For value received, I hereby assign and transfer all the moneys to my credit in the German Saving & Loan Society to

.

Witness my hand and seal.

, 187 .

Witness :

71 *Prospectus and extract from the by-laws of the German Saving & Loan Society, (Deutsche Spar- und Leih-Bank,)* 513 *California street. Incorporated February* 10*th*, 1868. *San Francisco : Democrat job office*, 1871.

72 OFFICERS.

President—L. GÖTTIG.

Board of Directors—F. ROEDING, E. KRUSE, C. SPRECKELS, J. GUNDLACH, H. SCHMIEDELL, CHA'S KOHLER, H. HORSTMAN, DAN. MEYER.

Secretary—GEORGE LETTE.

Attorney—JOHN R. JARBOE.

73 [Five-cent internal-revenue stamp, cancelled.]

Know all men by these presents that we, the undersigned, do hereby certify that we have associated ourselves for the purpose of forming a corporation under the provisions of an act of the legislature of the State of California, entitled "An act to provide for the formation of corporations for the accumulation and investment of funds and savings," approved April 11th, 1862, and all the acts amendatory thereof
74 and supplementary thereto, and that we desire to form an incorporate company therefor, and in conformity with the requirements of said act. We do further certify that the corporate name of said corporation shall be "The German Savings & Loan Society;" that the object for which it is formed is that of aggregating the funds and savings of the members of said corporation and of others, and of preserving and safely investing the same for their common benefit; that the time of its existence shall be twenty years from and after the date of the filing of this certificate in the office of the county clerk of the city and county of San Francisco; that the number of the directors who shall manage the affairs of the corporation during the first six months of its existence shall be nine, and that the names are C. F. Mebius, L. Göttig, Claus Spreckels, Fritz Koester, Edward Kruse, George H. Eggers, Jacob Gundlach, Henry Schmiedell, and Fred. Roeding.

Also, that the principal place of business of the said corporation is to be located in the city and county of San Francisco, and State of California.

And in accordance with the seventeenth section of said act, we do hereby certify that said corporation shall have a capital-stock; that the amount of such capital-stock shall be two hundred thousand dollars, (200,000,) and that it shall consist of two hundred shares of one thousand dollaas each.

In witness whereof we have hereunto set our hands and seals, in the city and county of San Francisco, and State of California, on this tenth day of February, A. D. one thousand eight hundred and sixty eight.

75 LIST OF SHAREHOLDERS.

C. F. Mebius.	R. Wegener.	H. Balzer.
Edw. Kruse.	H. Von Bargen.	F. Duhring.
Jacob Gundlach.	Cha's Meinecke.	Geo. H. Eggers.
L. Göttig.	Cha's Duisenberg.	W'm Ehrenpfort.
Claus Spreckels.	Otto Kloppenburg.	Leon Ehrmann.
Henry Schmiedell.	Henry Winkle.	J. A. Frankenau.
Fritz Köster.	F. Habenicht.	L. E. Weck.
Fred. Röding.	O. Schoemann.	John R. Jarboe.
M. Staub.	B. Kirchhoff.	Jos. Isaac.
Emil Ronte.	Chr. H. Voigt.	F. Livingston.
Edw. Michelssen.	Nic. Götjen.	Daniel Meyer.
Fred. Iken.	Cha's Neuhaus.	M. Mansfield.
Adolf Unger.	W'm Kroning.	Carl Precht.
F. O. Wegener.	H. Hinders.	Adolph Pfister.

H. A. Gildemeister.
Henry Horstman.
C. Wilson.
G. Muecke.
John G. Klumpke.
M. Rosenbaum.
H. L. Simon.
M. Mendheim.
August J. Saulman.
Albert Köster.
Jos. Hug.
Claus Brommer.
Fred. Hageman.
Cha's Kohler.
J. A. Bauer.
J. Remmel.
P. Spreckels.
C. Mangels.
Tho's Basse.
J. Everding.
A. Ehrhorn.
Fr. Putzman.
Isidor Landsberger.
Jos. Brandenstein.
Geo. Lette.
Herman Mendheim.
J. Geo. Huber.
Robert J. Betge.
John Wieland.
Fr. Hess.
Ch. H. Strybing.
R. Hochkofler.
Adolphus G. Russ.
A. Halscher.
Jonas Adler.
James Behrens.
F. H. Rosenbaum.
J. B. Reinhardt.
F. Reichling.
E. Schubart.
F. H. Seller.
Cha's Schroth.
G. Schultz.
M. Seller.
A. Seligman.
Jos. Seller.
Morris Speyer.
A. Wassermann.
S. Weilheimer.
H. W. Weiss.
M. Watermann.
Louis Westerfield.
H. Hagen.

77 No. .]

in ordinary deposit account with The German Savings & Loan Society.

76 *Prospectus.*

The German Savings and Loan Society was incorporated on the 10th day of February, 1868, under and by virtue of the various acts of legislature of the State of California, providing for the incorporation of savings and loan societies, and the objects of the society are detailed in its certificate of incorporation, a copy of which is printed herewith.

78 *Prospectus.*

Die Deutsche Spar- und Leih-Bank ward am 10. Februar 1868, in Gemässheit der verschiedenen Akte der Legislatur des Staates Californien, bezüglich solcher Gesellschaften, incorporirt.

Die Actionäre dieser Gesellschaft haben eine Summe von $200,000 beigesteuert, welche das Garantie-Capital der Gesellschaft bildet und alle Verluste, welche dieselbe zu

The share-holders of this society have contributed the amount of $200,000, which forms the capital-stock and guarantee-capital thereof, and all losses which the society may incur must be borne and paid out of this capital-stock, and out of the reserve-fund formed by the 5 per cent. of the net profits of the society, to be set aside semi-annually for that purpose, in accordance with the laws of the State of California, guaranteeing to the depositors, under any and all circumstances, the full amount of their deposits and dividends.

TERMS AND CONDITIONS UPON WHICH DEPOSITS WILL BE RECEIVED AND REPAID IN THE BANK OF THE SOCIETY.

No entrance-fee will be demanded and no charge made for pass-books, but a fee of two dollars will be charged if the entire deposit is withdrawn within a month after lodgement.

Deposits are divided into two distinct classes, viz:

1st. Deposits, in sums not less than two dollars, re-imbursable after demand, from the first disposable funds. A maximum limit for such deposits may be fixed from time to time by the board of directors. As the deposits must be loaned out in order that interest may be
79 earned upon them, the corporation will only undertake to repay depositors when there is money on hand which the board of directors have not reserved for other payments; as long as this is the case, the secretary or treasurer will repay such deposits immediately after demand. The board of directors will always keep a certain amount of money on hand to meet the ordinary requirements of depositors, but, in case of emergency, reserve to themselves the right to require such notice of demand for repayment as circumstances may render necessary.

2d. Deposits, in sums not less

irgend einer Zeit erleidet, werden von diesem Garantie-Capital getragen und daraus, sowie aus dem Reservefond, welcher halbjährlich, zufolge der Gesetze des Staates Californien, durch die 5 Prozent des Netto-Gewinnes der Gesellschaft gebildet wird, bezahlt, wodurch den Depositoren unter allen Umständen der volle Betrag ihrer Depositen und Dividenden gesichert wird.

FRISTEN UND BEDINGUNGEN, UNTER WELCHEN DEPOSITEN IN DER BANK DER GESELLSCHAFT EMPFANGEN UND ZURÜCKGEZAHLT WERDEN.

Eintrittsgeld wird nicht erhoben und Passbücher werden unentgeldlich verabfolgt. Wird aber das ganze Deposit vor Ablauf eines Monats nach erfolgter Einzahlung wieder herausgezogen, werden dem Deponenten zwei Dollars Gebühren berechnet.

Depositen werden in zwei bestimmte Klassen getheilt, nämlich:

1. Depositen in Summen von nicht weniger als zwei Dollars, zurückzahlbar nach Verlangen aus den zuerst flüssig werdenden Geldern. —Ein Maximum-Betrag für derartige Depositen kann von Zeit zu Zeit durch das Directorium festgesetzt werden. Da die Depositen ausgeliehen werden müssen, um Zinsen darauf zu gewinnen, so kann sich die Gesellschaft auch
80 nur verpflichten, Zurückzahlungen an Depositoren zu machen, wenn eine hinreichende Summe Geldes vorräthig ist, welche das Directorium nicht für andere Zahlungen reservirt hat. So lange als dies der Fall ist, wird der Secretär oder Schatzmeister derartige Depositen auf Verlangen sofort zurückzahlen, da das Directorium stets eine gewisse Summe Geldes vorräthig haben wird, um den gewöhnlichen Anforderungen der Depositoren zu genügen, dasselbe behält sich aber in ausserordentlichen Fällen das Recht vor, für die Zurückzahlung solcher Depositen eine

than fifty dollars, for a term not less than six months, for the withdrawal of which notice in writing must be given at least six months in advance.

DIVIDENDS.

At the meetings in January and July in each year, the board of directors will ascertain the net profits of the corporation, and will set apart and credit to the reserve-fund of the corporation five per cent. of such net profits, and then, of the remaining net profits they will also set apart one-tenth part thereof as a compensation for the guarantee-capital, furnished by the members of the corporation, and the balance shall be appropriated to paying a dividend to depositors.

The dividend payable to deposits for a term will be one-fifth more than that payable to deposits after demand.

Dividends will not be calculated on deposits for the first month succeeding date of lodgment, nor on any fractions of dollars, nor on moneys deposited and again withdrawn between dividend days, and which were on deposit less than three months. Such moneys will receive interest at the rate of six per cent. per annum, exclusive of the first month after day of deposit.

In the event that a deposit be re-imbursed during the running of a six-months term, no part
81 of the dividend belonging to that term can be paid before the declaration of the semi-annual dividends.

Dividends not called for within fifteen days from the date of their being declared, will be carried to the credit of whom it may concern, and will be treated in all respects like the original deposit.

EMPLOYMENT OF FUNDS.

The funds of the society will be employed as follows:

den Umständen angemessene Kündigungsfrist zu verlangen.

2. Depositen von nicht weniger als fünfzig Dollars, für einen Termin von mindestens sechs Monaten; und erfordert die Zurückziehung derartiger Depositen eine vorhergegangene sechsmonatliche schriftliche Kündigung.

DIVIDENDEN.

Das Directorium ermittelt im Januar und Juli eines jeden Jahres den Netto-Gewinn der Gesellschaft, kürzt davon fünf Prozent, welche laut Gesetz dem Reservefond zufallen, überschreibt ein Zehntel des nachbleibenden Gewinnes den Mitgliedern der Corporation als ihren Antheil für das von ihnen eingezahlte Garantie-Capital, und vertheilt den Rest als Dividende unter die Depositoren.

Die Dividende für Depositen auf Zeit ist ein Fünftel höher als diejenige für gewöhnliche Depositen.

Dividenden werden weder für den ersten Monat nach Einzahlung eines Deposits, noch auf Bruchtheile eines Dollars, noch auf Gelder berechnet, welche weniger als drei Monate deponirt und vor Ablauf des Termins der Dividenden-Erklärung zurückgezogen werden. Für letztere Gelder werden sechs Prozent Zinsen per Jahr, ausschliesslich des ersten Monats, vergütet.

Geschieht die Zurückzahlung eines gewöhnlichen, oder Zeit-Depositis, während des Verlaufs eines sechsmonatlichen Termins, so kann die betreffende Dividende nicht vor Erklärung der regelmässigen halbjährlichen Dividenden bezogen werden.

82 Dividenden, welche innerhalb fünfzehn Tagen nach deren Erklärung nicht zurückgezogen sind, werden den betreffenden Depositoren zugeschrieben und wie dast Original-Deposit behandelt.

1st. In loans for one or more years, on real-estate security.

2d. In loans on bullion, mint-certificates, evidences of indebtedness of the United States, and such other collateral securities as the board of directors shall find proper, but no loans will be made upon promissory notes, bills of exchange, or other evidences of private indebtedness.

3d. In refunding to depositors the whole or part of their deposits.

The applicant for a loan must furnish to the board of directors a written statement of the location and description of the property proposed. If the board is satisfied with the security offered, they will order the money to be paid, on receiving a certificate from the attorney of the corporation that the title is valid, and that the proper documents are executed.

In all cases where a loan so made is to be repaid in monthly installments, the borrower has to execute to the corporation a note, stating the amount of each monthly installment of principal or interest, which installments, if not paid at maturity, will bear interest at the rate of one and one-half per cent. per month.

The foregoing shows that every dollar deposited with this institution is secured to the depositor in three different ways, viz:

83 1st. By the mortgages and pledges on which the money of the society is loaned;

2d. By the reserve fund of the society, formed semi-annually by the five per centum taken from its profits to form the fund; and—

3rd. By the guarantee-capital, contributed by the share-holders.

It is thus impossible for a loss to occur to the depositors, and by a prudent management of the capital and the reserve-fund, which, of course, will be loaned out, as are the other moneys of the society, the depositors will enjoy the benefits of the very funds which go

BENUTZUNG DER GELDER.

Die Gelder der Gesellschaft werden wie folgt, benutzt:

1. In Anleihen auf Grundstücke für ein oder mehrere Jahre.

2. In Anleihen auf Gold- und Silberbarren, Münz-Certifikate, Bonds und Schuldscheine der Vereinigten Staaten, und auf andere, dem Directorium genehme collaterale Sicherheiten; es darf aber keine Anleihe auf Noten, Accepte, Connoissemente, oder sonstige Privat-Sicherheiten, oder Schuldverschreibungen gemacht werden.

3. In ganzen oder theilweisen Rückzahlungen der Depositen an die Depositoren.

Derjenige, welcher um ein Anlehen nachsucht, muss dem Directorium eine schriftliche Mittheilung über die vorzuschlagenden Sicherheiten überliefern, und wenn das Directorium solche als annehmbar befunden und der Advokat der Gesellschaft den Rechtstitel gutgeheissen hat, so wird die Auszahlung des Geldes, nach erfolgter Ausfertigung und Unterzeichnung der geeigneten Documente, beordert.

In allen Fällen, wo ein derartiges Anleihen in monatlichen Raten zurückzuzahlen ist, wird für Capital und Zinsen eine Note, an die Gesellschaft zahlbar, ausgestellt, welche den Betrag jeder monatlichen Rate angiebt, und wenn derartige Raten bei Verfall nicht prompt bezahlt werden, so tragen dieselben, von der Zeit des Verfalltages an, eine Zinse von ein- und einhalb Prozent per Monat.

Aus dem Vorhergehenden ist zu ersehen, dass dem Depositor für jeden Dollar, welchen er bei dieser Gesellshaft deponirt, dreifache Sicherheit geboten wird, nämlich:

84 1. Mittelst der Hypotheken und sonstigen Sicherheiten, worauf die Gesellschaft ausleiht.

2. Durch den Reservefond, ge-

at the same time to form their security.

85 Copy of the agreement to be signed by every depositor at the time when he makes his first deposit.

AGREEMENT.

In consideration of the receipt by The German Savings and Loan Society of the deposits now made and hereafter to be made by me with it, I do hereby, for myself, my heirs, executors, administrators, and assigns, covenant, promise, and agree to and with said The German Savings and Loan Society to be governed in all respects with regard to all moneys that may be deposited by me with said society, by the conditions above written, and by the by-laws of said society; and that all moneys now or hereafter deposited by me with said The German Savings and Loan Society, shall be re-imbursable only out of the first disposable funds that shall come into the hands of the said The German Savings and Loan Society, after the date of my demand for the re-imbursement thereof, and after payment of all sums for the re-imbursement of which demand shall have been made prior to the date of my demand; and I do hereby, for myself, my heirs, executors, administrators, and assigns, waive all claim for indemnification for losses against all present and future members of said corporation, and elect to rely solely upon the guarantee-capital and reserve-fund of said The German Savings and Loan Society.

Witness my hand and seal this day of , A. D. 187 .

87 REMITTANCES FROM THE INTERIOR.

To persons residing in the coun-

bildet durch fünf Prozent des jedesmaligen halbjährlichen Gewinnes der Gesellschaft und

3. Durch das Garantie-Kapital, welches die Actionäre beigetragen haben.

Ein Verlust für die Depositoren ist daher unmöglich, und indem Capital und Reservefond ebenso wie die deponirten Gelder auf gute Sicherheiten ausgeliehen werden, erwächst den Depositoren der Nutzen derjenigen Gelder, welche zu gleicher Zeit ihre Sicherheit bilden.

86 Copie der Uebereinkunft, welche jeder Depositor zu unterzeichnen hat, wenn er sein erstes Deposit macht.

UEBEREINKUNFT.

In Berücksichtigung der von Seiten der Deutschen Spar- und Leih-Bank erfolgten Annahme meiner heutigen und zukünftigen Depositen, verspreche und verpflichte ich mich hiermit, sowohl für mich als auch für meine Erben, Executoren, Administratoren, Curatoren und Nachfolger, in jeder Hinsicht, in Betreff der Gelder, welche ich bei besagter Gesellschaft deponire, den vorstehenden Bedingungen und den Neben-Gesetzen der besagten Gesellschaft mich zu unterwerfen, und dass alle Gelder, welche ich jetzt, oder in Zukunft bei der Deutschen Spar- und Leih-Bank deponire, nur, nachdem ich zu diesem Behufe eine Anmeldung gemacht und die vorhergegangenen Anmeldungen Anderer befriedigt worden, aus den zuerst flüssig werdenden Geldern der Deutschen Spar- und Leih-Bank zurückzahlbar sind und ich entsage hiermit, sowohl für mich, als auch für meine Erben, Executoren, Administratoren, Curatoren und Nachfolger, allen Rechtsansprüchen für Verluste, gegen alle jetzigen und künftigen Mitglieder besagter Corporation, indem ich verspreche, mich einzig und allein an das Garantie-Capital und den Reservefond der Deut-

try who want to deposit money with The German Savings and Loan Society, blank applications will be furnished, which the depositor has to fill out and sign in *its* own handwriting. This application must accompany the remittance, which may be sent through any express office or reliable banking-house, but the society will not be responsible for its safe delivery.

Upon payment of the amount and upon delivery of the application, properly signed and executed, a pass-book will be issued in the name of the depositor and delivered to the agent by whom the deposit has been made.

Deposits can be withdrawn by sending an order accompanied by this book.

No money will, at any time, be paid without this book.

Should this book be lost, give notice to the secretary of the society.

schen Spar- und Leih-Bank halten zu wollen.

Urkundlich meine eigenhändige Namens-Unterschrift und mein Siegel am ten Tage des Monats 187

GELDSENDUNGEN VOM INLANDE.

An Personen, welche im Inlande wohnen und Gelder bei der Deutschen Spar- und Leih-Bank deponiren wollen, wird auf Verlangen eine Blank-Application gesandt, welche der Depositor auszufüllen und eigenhändig zu unterzeichnen hat. Diese Application muss der Geldsendung, welche durch irgend eine Express-Compagnie oder ein responsables Bankierhaus nach hier befördert werden kann, beigefügt sein. Die Gesellschaft aber ist für die richtige Ablieferung des Geldes nicht verantwortlich.

Gegen Auszahlung des zu deponirenden Betrages und gegen Ueberlieferung der gehörig ausgefüllten und eigenhändig unterzeichneten Application, wird ein Pass-Buch auf den Namen des Depositors ausgefertigt und den Agenten überliefert, durch den das Geld ausgezahlt worden ist.

Depositen können herausgezogen werden, wenn der Depositor eine Anweisung auf die Gesellschaft ausstellt und das betreffende Pass-Buch hierher sendet.

Ohne Vorzeigung des Pass-Buches wird kein Geld ausbezahlt.

Sollte dieses Buch verloren gehen, so muss dem Sekretär der Gesellschaft sofort Anzeige davon gemacht werden.

(Indorsement on cover:) No. 342. George Oulton, collector of internal revenue, plaintiff in error, vs. The German Savings and Loan Society. California C. C. U. S. Filed 1st December, 1871.

REC. 442—3